



## What people really think of free trade

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### Debate over trade barriers

**LONDON** The United States and Europe have long claimed that free-trade and poverty reduction are among their highest political priorities. But their recent record is hardly illustrious.

Ever since President Bill Clinton led the way to the creation of the World Trade Organization in the 1990's, trade liberalization has floundered on the support of rich countries for their bloated farmers. At trade summits from Seattle to Doha over the last decade, Western politicians have pledged solidarity with the developing world, only to cave in to their domestic lobbies and leave the developing world mired in poverty.

This year, protectionist pressures seem to have become even stronger. The panic over the outsourcing of white-collar jobs led Senators John Kerry and John Edwards to vie in the Democratic primary race over who is most negative about free trade. In Europe, despite some minor reforms, both President Jacques Chirac of France and Chancellor Gerhard Schröder of Germany have managed to block any cuts in the Common Agricultural Policy until at least 2013. Progress toward the UN Millennium Development Goals has been painfully slow.

On both trade and development, the common cry from politicians is that they are boxed in by public opinion. But new opinion data commissioned by the German Marshall Fund, based on 4,000 interviews in France, Germany, Britain and the United States, suggests that the public in both Europe and America is far more liberal than is often assumed, and also concerned about the damage that Western subsidies wreak on the developing world.

Support for free trade among the populations of Germany, France, Britain and the United States remains robust. In Britain, the highest proportion of respondents, nearly three-quarters, have a "favorable view" of free trade. Elsewhere, the figures are slightly lower, but they are still strong, given the vociferous campaigns of the antiglobalization movement. The principle of free trade remains firmly embedded in the public imagination.

Neither is the world neatly segmented into free-trading Anglo-Saxons and protectionist Europeans. Despite the recent French and German efforts to promote "national champions" in their industries, less than a third of the German and French populations want to subsidize manufacturers. The figures are higher in free-market Britain and the United States. There is more sympathy for agricultural subsidies in France and Germany, but even there, pork-barrel politics are beginning to lose support: 62 percent of Germans and half the French population want an end to subsidies.

There is little sign either of the much-discussed "compassion fatigue" in the West. Respondents overwhelmingly felt that fighting poverty in developing countries was a moral imperative for the West, and people expressed a strong preference for trade over aid to help developing economies grow. Most people responded well to arguments that poor countries should be allowed to maintain tariff barriers for a short period - a more sympathetic attitude than that displayed by international financial institutions.

These findings present political leaders with a way to galvanize support for trade agreements that will fight poverty. People reject closed economies, and they don't buy the argument that trade results in a "race to the bottom" in standards. The majority of people appear to be realists and accept that there is no return to a pre-globalization age - though they have become suspicious about some of the messianic rhetoric from politicians on trade deals. The characterization of Nafta, the European internal market and the World Trade Organization as "opaque" and "undemocratic" by the antiglobalization movement over the last decade has created some public unease. Nearly half of the public expressed

an unfavorable view of the WTO, despite the fact that it upholds principles with which they overwhelmingly agree.

Respondents felt strongly that multinational companies are the primary beneficiaries of trade liberalization. Until leaders are able to articulate the benefits for consumers and small businesses, support for future trade deals will be hard to achieve. In all the countries surveyed, there was a strong thirst for more training to help workers cope with the instabilities of the global labor market. Education, together with a new political language, may be the only way to see off the gathering forces of protectionism.

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